

ANNUAL REPORT OF ELECTRIC UTILITIES LICENSEES AND/OR NATURAL GAS UTILITIES

To The

ILLINOIS COMMERCE COMMISSION



ILLINOIS
COMMERCE COMMISSION
2004 JUN 16 P 1:53
CHIEF CLERK'S OFFICE

Exact Legal Name of Respondent (Company)

ILLINOIS GAS COMPANY

Year of Report

December 31, 2003

This state agency is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined in Section 5-109 of the Public Utilities Act [220 ILCS 5/5-109]. Disclosure of this information is REQUIRED. Failure to provide any information could result in a fine of \$100 per day under Section 5-109 of the Public Utilities Act.

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ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND/OR NATURAL GAS UTILITIES

IDENTIFICATION		
01 Exact Legal Name of Respondent <div style="text-align: center;">ILLINOIS GAS COMPANY</div>	02 Year of Report <div style="text-align: center;">Dec. 31, 2003</div>	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (street, city, state, zip code) <div style="text-align: center;">1927 MILLER DRIVE, PO BOX 490, OLNEY, IL 62450</div>		
05 Name of Contact Person <div style="text-align: center;">LORI A. UHL</div>	06 Title of Contact Person <div style="text-align: center;">COMPTROLLER/ASST. TREASURER</div>	
07 Address of Contact Person (street, city, state, zip code) <div style="text-align: center;">1927 MILLER DRIVE, PO BOX 490, OLNEY, IL 62450</div>		
08 Telephone of Contact Person, Include Area Code <div style="text-align: center;">(618)395-8588</div>	09 This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report (M, D, Yr) <div style="text-align: center;">12/31/2003</div>
11. Email address of Contact Person <div style="text-align: center;">luhl@ilgas.com</div>	12. Utility website	

INSTRUCTIONS FOR FILING FORM 21 ILCC

GENERAL INFORMATION

I PURPOSE

This form is a regulatory support requirement (Public Utilities Act, Section 5-109). It is designed to collect financial and operational information from electric and gas utilities subject to the jurisdiction of the Illinois Commerce Commission.

II. WHO MUST SUBMIT

All electric and gas utilities subject to the Illinois Commerce Commission jurisdiction.

III WHAT, WHERE AND WHEN TO SUBMIT

- (a) Submit an original and one copy of this form on or before MARCH 31 of the year following the year covered by this report to:

ILLINOIS COMMERCE COMMISSION
527 East Capitol Avenue
Springfield, Illinois 62701

The submitted copies should be three hole punched, but not bound.

- (b) Submit immediately upon publication two copies of the submitted FERC Form Nos. 1 and/or 2, if applicable, to the above address. The submitted copies should be three hole punched, but not bound.
- (c) Submit immediately upon publication two copies of the SEC 10-K Report Form, if applicable, to the above address. The submitted copies should be three hole punched.
- (d) Submit immediately upon publication two copies of the Annual Report to stockholders. The submitted copies should be three hole punched.

IV REGISTERED AGENT

Exact Name of Registered Agent RICKY W. ZEHNER, ASSISTANT SECRETARY

Street or Local Address 1927 MILLER DRIVE, PO BOX 490

City OLNEY State IL Zip Code 62450

Telephone (618) 395-8588

Area Code Number

GENERAL INSTRUCTIONS

- I. This form of annual report is prepared in conformity with the applicable Uniform System of Accounts and all of the accounting terminology used herein is in accordance therewith.
- Enter in whole numbers only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. The schedules within Form 21 ILCC are classified as follows:
- 0 Series - General Corporate Schedules required by all utilities filing Form 21 ILCC
 - 100 Series - General Corporate Schedules required by gas only utilities not submitting FERC Form No. 2
 - 200 Series - Balance Sheet Supporting Schedules required by gas utilities not submitting FERC Form No. 2
 - 300 Series - Income Supporting Schedules required by gas utilities not submitting FERC Form No. 2
 - 500 Series - Gas Plant Statistical Data required by gas utilities not submitting FERC Form No. 2
 - 600 Series - Electric Data required by all electrical utilities
 - 700 Series - Gas Data required by all gas utilities
- Electric only utilities that submit FERC Form No. 1 to the Illinois Commerce Commission (ICC) must submit the following schedules: 0 Series and 600 Series.
- Combination utilities (utilities that provide both electric and gas service in Illinois) that submit FERC Form No. 1 (but not FERC Form No. 2) to the ICC must submit the following schedules: 0 Series, 200 Series, 300 Series, 500 Series, 600 Series, and 700 Series.
- Combination utilities (utilities that provide both electric and gas service in Illinois) that submit FERC Form Nos. 1 and 2 to the ICC must submit the following schedules: 0 Series, 600 Series and 700 Series.
- Gas only utilities that submit FERC Form No. 2 to the ICC must submit the following schedules: 0 Series and 700 Series.
- Gas only utilities that do not submit FERC Form No. 2 to the ICC must submit the following schedules: 0 Series, 100 Series, 200 Series, 300 Series, 500 Series, and 700 Series.
- If a schedule within a series is not applicable to the respondent, enter the words "Not Applicable" on the particular page or omit the page and enter "NA" or "Not Applicable" in the "Remarks" column on the List of Schedules on pages vi through x. If pages are deleted, indicate in the footer of the prior provided page number of the next subsequently provided page.
- V. It is preferred that all data be typed on the form. Entries of an opposite character (such as decreases reported in a column providing for both increases and decreases) should be enclosed in parentheses.
- VI. Enter the month, day and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmission (see VII below).
- VII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation page as the last page. Mail dated resubmission to:
- ILLINOIS COMMERCE COMMISSION
527 East Capitol Avenue
Springfield, Illinois 62701
- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized. The annual report should in all particulars be complete in itself.
- X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11) instead of the schedules herein if they are in substantially the same format.
- XII. Where Illinois Commerce Commission authority is to be supplied, enter the applicable docket number.
- XIII. The word "respondent", whenever used in this report, means the person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.
- Because of the limited space afforded on some Form 21 ILCC schedules, dollar signs may be omitted where necessary. The rounding of numbers in thousands is permissible in cases where there is insufficient room for all digits. However, notations to this effect must be made in a conspicuous location on the page on which the rounding occurs.

Name of Respondent	This report is: <input type="checkbox"/> An original <input type="checkbox"/> A resubmission	Date of Report (Mo. Da, Yr.)	Year of Report
			Dec. 31,

EXCERPTS FROM THE LAW

(The Public Utilities Act, Section 5 – 109)

REPORTS BY PUBLIC UTILITIES – FAILURE TO REPORT – FALSE REPORT – PENALTY. Each public utility in the State shall each year furnish to the Commission, in such form as the Commission shall require, annual reports as to all the items mentioned in the preceding sections of this article, and in addition such other items, whether of a nature similar to those therein enumerated or otherwise, as the Commission may prescribe. Such annual reports shall contain all the required information for the period to twelve months ending on the thirtieth day of June in each year, or ending on the thirty-first day of December in each year, as the Commission may by order prescribe for each class of public utilities, and shall be filed with the Commission at its office in Springfield within three months after the close of the year for which the report is made. The Commission shall have authority to require any public utility to file monthly reports of earnings and expenses of such utility, and to file other periodical or special, or both periodical and special reports concerning any matter about which the Commission is authorized by law to keep itself informed. All reports shall be under oath.

When any report is erroneous or defective or appears to the Commission to be erroneous or defective, the Commission may notify the public utility to amend such report within thirty days, and before or after the termination of such period the Commission may examine the officers, agents, or employees, and books, records, accounts, vouchers, plant, equipment and property of such public utility, and correct such items in the report as upon such examination the Commission may find defective or erroneous.

All reports made to the Commission by any public utility and the contents thereof shall be open to public inspection, unless otherwise ordered by the Commission. Such reports shall be preserved in the office of the Commission.

Any public utility which fails to make and file any report called for by the Commission within the time specified; or to make specific answer to any question propounded by the Commission within thirty days from the time it is lawfully required to do so or within such further time, not to exceed ninety days, as may in its discretion be allowed by the Commission, shall forfeit up to \$100 for each and every day it may so be in default if the utility collects less than \$100,000 annually in gross revenue; and if the utility collects \$100,000 or more annually in gross revenue, it shall forfeit \$100 per day for each and every day it is in default.

Any person who willfully makes false return or report to the Commission, or to any member, officer or employee thereof, and any person who aids or abets such person shall be guilty of a Class A misdemeanor.

**FORM 21 ILCC
LIST OF SCHEDULES**

Schedules	Page	Remarks
Identification	i	
General Information	ii	
General Instructions	iii	
Excerpts from the Law	iv	
List of Schedules	v-vii	
GENERAL CORPORATE SCHEDULES REQUIRED BY ALL UTILITIES FILING FORM 21 ILCC (0 Series)		
Verification, Attestation	1	
Comparative Balance Sheet	2-5	
Statement of Retained Earnings	6-6a	
Statement of Income for the Year	7-7b	
Illinois Electric Operating Revenues	8-8a	Not Applicable
Illinois Megawatt Hrs. Sold/Delivered & Avg. No. of Customers per Month	9-9a	Not Applicable
Kilowatt Hour Sales/Deliveries	10	Not Applicable
Reconciliation of Megawatt Hours Delivered from Retail Electric Suppliers	10a	Not Applicable
Illinois Gas Net Operating Revenues	11-11a	
Cost Allocation Methodologies	12	Not Applicable
Identification of Differences between Information Reported on FERC Schedules and Information Reported on Pages 2 through 7 of Form 21 ILCC	13	Not Applicable
Analysis of Unbilled Revenues	13(a)	
Reconciliation of Gross Revenue Tax	14	
Promotional Practices of Electric and Gas Public Utilities	15	
Special Funds	16	Not Applicable
Special Deposits	16	Not Applicable
Notes Receivable	17	Not Applicable
Other Accounts Receivable	17	
Receivables from Associated Companies	18	
Miscellaneous Current and Accrued Assets	19	Not Applicable
Materials and Supplies	20	
Notes Payable	21	
Payables to Associated Companies	21	Not Applicable
Long Term Debt (Accounts 221, 222, 223 & 224)	22-23	
Unamortized Loss and Gain on Reacquired Debt (Accts. 189, 257)	24	Not Applicable
Discount on Common Stock Issuance and Preferred Stock Issuances	25	Not Applicable
Unamortized Debt Expense Premium & Discount on Long-Term Debt	26-27	
Securities Issued or Assumed and Securities Refunded or Retired During the Year	28	Not Applicable
Investments (Accounts 123, 124, 136)	29-30	
Particulars Concerning Certain Other Income Accounts	31	
Employee Data	32	
Charges for Outside, Professional & Other Consultative Services	33	
Common Utility Plant & Expense	34	Not Applicable
Statement of Accumulated Comprehensive Income and Hedging Activities	35-35a	Not Applicable
Nonutility Property	41	Not Applicable
Accumulated Provision for Depreciation & Amortization of Nonutility Property	41	Not Applicable
Accumulated Deferred Income Taxes - Accelerated Amortization Property	42-43	
General Description of Construction Overhead Procedure	44	
Capital Stock Subscribed, Liability for Conversion, Premium on Capital Stock and Installments Received on Capital Stock	45	Not Applicable
Discount on Capital Stock and Capital Stock Expense	46	Not Applicable

Schedules	Page	Remarks
GENERAL CORPORATE SCHEDULES REQUIRED BY GAS ONLY UTILITIES NOT SUBMITTING FERC FORM NO. 2 (100 Series)		
General Information	101	
Control Over Respondent	102	Not Applicable
Corporations Controlled by Respondent	103	
Officers	104	
Directors	105	
Security Holders and Voting Powers	106-107	
Important Changes During the Year	108-109	
Comparative Balance Sheet	110-113	
Statement of Income for the Year	114-117	
Statement of Retained Earnings for the Year	118-119	
Statement of Cash Flows	120-121	
Notes to Financial Statements	122-123	
BALANCE SHEET SUPPORTING SCHEDULES REQUIRED BY GAS UTILITIES NOT SUBMITTING FERC FORM NO. 2 (200 Series)		
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion	200-201	
Gas Plant in Service	204-209	
Manufactured Gas Production Plant - Supplemental Schedule	210	Not Applicable
Gas Plant Leased to Others	213	Not Applicable
Gas Plant Held for Future Use	214	Not Applicable
Construction Work in Progress - Gas (Account 107)	216	Not Applicable
Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)	219	
Gas Stored (Acct. 117, 164.1, 164.2 and 164.3)	220	Not Applicable
Investments in Subsidiary Companies (Account 123.1)	224-225	
Prepayments (Account 165)	230	
Extraordinary Property Losses (Account 182.1)	230	Not Applicable
Unrecovered Plant and Regulatory Study Costs (Acct. 182.2)	230	Not Applicable
Other Regulatory Assets (Account 182.3)	232	Not Applicable
Miscellaneous Deferred Debits (Account 186)	233	
Accumulated Deferred Income Taxes (Account 190)	234-235	
Capital Stock (Accounts 201 and 204)	250-251	
Other Paid-in Capital	253	
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261	
Taxes Accrued, Prepaid and Charged During Year	262-263	
Distribution of Taxes Charged	262-263	
Other Deferred Credits (Account 253)	269	
Accumulated Deferred Income Taxes-Other Property (Account 282)	274-275	Not Applicable
Accumulated Deferred Income Taxes - Other	276-277	
Other Regulatory Liabilities (Account 254)	278	
INCOME SUPPORTING SCHEDULES REQUIRED BY GAS UTILITIES NOT SUBMITTING FERC FORM NO. 2 (300 Series)		
Gas Operating Revenues (Account 400)	300-301	
Residential & Commercial Space Heating Customers	305	
Interruptible, Off Peak & Firm Sales to Distribution System Industrial Customers	305	
Sales for Resale Natural Gas (Account 483)	310-311	Not Applicable
Gas Operation and Maintenance Expenses	320-325	
Miscellaneous General Expenses (Acct. 930.2) (Gas)	335	
Depreciation, Depletion & Amortization of Gas Plant (Accts. 403, 404.1, 404.2, 404.3, 405)	336-338	
Particulars Concerning Certain Income Deductions & Interest Charges Accounts	340	
Regulatory Commission Expense	350-351	
Distribution of Salaries and Wages	354-355	

Schedules	Page	Remarks
GAS PLANT STATISTICAL DATA REQUIRED BY GAS UTILITIES NOT SUBMITTING FERC FORM NO. 2 (500 Series)		
Auxiliary Peaking Facilities	519	Not Applicable
ELECTRIC DATA REQUIRED BY ALL ELECTRIC UTILITIES (600 Series)		
Internal Combustion Engine & Gas-Turbine Generating Plants	600-601	Not Applicable
Steam-Electric Generating Plants	602-603	Not Applicable
Hydroelectric Generating Plants	604-605	Not Applicable
Changes Made of Scheduled to be Made In Generating Plant Capacities	606	Not Applicable
Electric Plant Acquisition Adjustments & Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments (Accts. 114, 115)	607	Not Applicable
Franchise Requirements (Acct. 927) (Electric)	608	Not Applicable
Territory Served (Electric)	609-610	Not Applicable
Construction Overheads - Electric	611	Not Applicable
Electric Distribution Meters and Line Transformers	612	Not Applicable
Environmental Protection Facilities	613	Not Applicable
Environmental Protection Expenses	614	Not Applicable
GAS DATA REQUIRED BY ALL GAS UTILITIES (700 Series)		
Mains in Illinois	700	
Meters in Illinois	701	
Services in Illinois	702	
System Load Stastics in Illinois	703	
Underground Gas Storage	704-705	Not Applicable
Summary of Gas Account	706	
Summary of Revenues, Therms & Customers by Gas Rates	707	
Purchased Gas (Accts. 800, 801, 802, 803, 804, 805)	708-709	
Gas Plant Acquisition Adjustments & Accumulated Provision for Amortization of Gas Plant Acquisition Adjustment (Account 114, 115)	710	Not Applicable
Franchise Requirements (Account 927) (Gas)	711	
Territory Served (Gas)	712-713	
Construction Overheads - Gas	714	

VERIFICATION

The responsible accounting officer shall verify this report under oath.

OATH

STATE OF ILLINOIS }
COUNTY OF RICHLAND }

ROGER C. AVERY

(insert here the name of the Affiant)

PRESIDENT AND CHIEF EXECUTIVE OFFICER

(insert here the official title of the Affiant)

ILLINOIS GAS COMPANY

(insert here the exact legal title or name of the respondent)

he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true, and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth

therein during the period from and including January 1, 2003, to and including December 31, 2003.

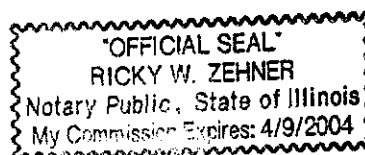
R. C. Avery

(Signature of Affiant)

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the State and County

Above named, this 23rd day of MARCH, 2003. My Commission expires April 9, 2004.

Ricky W. Zehner
(Signature of officer authorized to administer oath)



Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
BALANCE SHEET				
Instructions:				
Line No.	Title of Account (a)	Page Ref FERC Form 1 and/or 2 or ILCC Form 21 (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	15,161,316	15,321,587
3	Construction Work in Progress (107)	200-201	-	-
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		15,161,316	15,321,587
5	(Less) Accum. Prov. For Depr. Amort. Depl (108, 111, 115)	200-201	(7,046,017)	(7,329,290)
6	Net Utility Plant (Enter Total of line 4 less 5)		8,115,299	7,992,298
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	-	-
8	(Less) Accum. Prov. For Amort. Of Nucl. Assembl. (120.5)		-	-
9	Net Nuclear Fuel (Enter total of line 7 less line 8)		-	-
10	Net Utility Plant (Enter total of lines 6 and 9)		8,115,299	7,992,298
11	Utility Plant Adjustments (116)			
12	Gas Stored Underground-Noncurrent (117)	220	-	-
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	41	-	-
15	(Less) Accum. Prov. For Depr. And Amort. (122)	41	-	-
16	Investments in Associated Companies (123)	29-30	-	-
17	Investment in Subsidiary Companies (123.1)	224-225	284,871	477,375
18	(For Cost of account 123.1, see footnote FERC Form 1 page 224, line 42)		-	-
19	Noncurrent Portion of Allowances		-	-
20	Other Investments (124)	29-30	-	-
21	Special Funds (125-128)	16	-	-
22	TOTAL Other Property and Investments (Total of lines 14-17, 19-21)		284,871	477,375
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)		204,425	128,857
25	Special Deposits (132-134)	16	-	-
26	Working Funds (135)		3,429	3,230
27	Temporary Cash Investments (136)	29-30	66,193	-
28	Notes Receivable (141)	17	-	-
29	Customer Accounts Receivable (142)		564,349	713,903
30	Other Accounts Receivable (143)	17	4,223	6,446
31	(Less) Accum. Prov. For Uncollectibles Acct.-Credit (144)		(33,339)	(55,292)
32	Notes Receivable from Associated Companies (145)	18	-	-
33	Accounts Receivable from Assoc. Companies (146)	18	232,935	156,949
34	Fuel Stock (151)	20	-	-
35	Fuel Stock Expense Undistributed (152)	20	-	-
36	Residuals (Elec.) and Extracted Products (153)	20	-	-
37	Plant Materials and Operating Supplies (154)	20	17,233	15,280
38	Merchandise (155)	20	5,726	4,733
39	Other Materials and Supplies (156)	20	-	-
40	Nuclear Materials Held for Sale (157)	202-203/227	-	-
41	Allowances (158.1 and 158.2)	228-229	-	-
42	(Less) Noncurrent Portion of Allowances		-	-
43	Stores Expenses Undistributed (163)	20	-	-
44	Gas Stored Underground-Current (164.1)		-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2 - 164.3)		-	-
46	Prepayments (165)		54,450	73,214
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable (171)		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenue (173)		1,055,440	1,080,807
51	Miscellaneous Current and Accrued Assets (174)	19	-	-

Name of Respondent ILLINOIS GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2003
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Instructions: Include in columns (e) through (i), total company balances of Utility Plant in Service and associated balances corresponding to the line numbers on page (2), lines 1 through 12. Include in column (g), Total Company Common Utility, balances that cannot be directly assigned to a specific service in columns (e), (f) or (h). Columns (e) thru (i) must total column (d) on page 2. For amounts in columns (e) thru (i), show corresponding Illinois jurisdictional amounts in columns (j) thru (n).

BALANCE SHEET

Total Company Direct Electric Utility (e)	Total Company Direct Gas Utility (f)	Total Company Common Utility (g)	Total Company Competitive Utility (h)	Total Company Other Utility (i)	Line No.
					1
	15,321,587				2
	-				3
	15,321,587				4
	(7,329,290)				5
	7,992,298				6
	-				7
	-				8
	-				9
	7,992,298				10
					11
	-				12
					13

Illinois Direct Electric Utility (j)	Illinois Direct Gas Utility (k)	Illinois Common Utility (l)	Illinois Competitive Utility (m)	Illinois Other Utility (n)	Line No.
					1
	15,321,587				2
	-				3
	15,321,587				4
	(7,329,290)				5
	7,992,298				6
	-				7
	-				8
	-				9
	7,992,298				10
					11
	-				12
					13

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
BALANCE SHEET Cont'd				
Instructions:				
Line No.	Title of Account (a)	Page Ref FERC Form 1 and/or 2 or ILCC Form 21 (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	Derivative Instrument Assets (175)			
53	Derivative Instrument Assets - Hedges (176)			
54	TOTAL Current and Accrued Assets (Enter total of lines 24 thru 53)		2,175,064	2,128,128
55	DEFERRED DEBITS			
56	Unamortized Debt Expense (181)		6,245	5,886
57	Extraordinary Property Losses (182.1)	230	-	-
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	-	-
59	Other Regulatory Assets (182.3)	232	-	-
60	Prelim. Survey and Investigation Charges (Electric) (183)	231	-	-
61	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
62	Clearing Accounts (184)		-	-
63	Temporary Facilities (185)		-	-
64	Miscellaneous Deferred Debits (186)	233	7,639	-
65	Def. Losses from Disposition of Utility Plant (187)		-	-
66	Research, Devel and Demonstration Expend. (188)	352-353	-	-
67	Unamortized Loss on Reacquired Debt (189)	24	-	-
68	Accumulated Deferred Income Taxes (190)	234-235	8,006	11,672
69	Unrecovered Purchased Gas Costs (191)		-	-
70	TOTAL Deferred Debits (Enter total of lines 56 thru 69)		21,890	17,558
71	TOTAL Assets and Other Debits (Enter total of lines 10,11,12,22,54,70)		10,597,125	10,615,358

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
BALANCE SHEET				
Instructions:				
Line No.	Title of Account (a)	Page Ref FERC Form 1 and/or 2 or ILCC Form 21 (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	297,214	297,214
3	Preferred Stock Issued (204)	250-251	-	-
4	Capital Stock Subscribed (202,205)	252	-	-
5	Stock Liability for Conversion (203,206)	252	-	-
6	Premium on Capital Stock (207)	45	-	-
7	Other Paid in Capital (208-211)	253	66,193	-
8	Installments Received on Capital Stock (212)	252	-	-
9	(Less) Discount on Capital Stock (213)	254	-	-
10	(Less) Capital Stock Expense (214)	46	-	-
11	Retained Earnings (215,215.1,216)	6	2,491,852	2,320,229
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	6	120,655	311,703
13	(Less) Reacquired Capital Stock (217)	250-251	(387,239)	(387,239)
14	Accumulated Other Comprehensive Income (219)	35		
15	TOTAL Proprietary Capital (Enter total of lines 2 thru 14)		2,588,676	2,541,908
16	LONG-TERM DEBT			
17	Bonds (221)	22-23	-	-
18	(Less) Reacquired Bonds (222)	22-23	-	-
19	Advances from Associated Companies (223)	22-23	-	-
20	Other Long-Term Debt (224)	22-23	2,878,709	2,769,644
21	Unamortized Premium on Long-Term Debt (225)		-	-
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		-	-
23	TOTAL Long-Term Debt (Enter total of lines 17 thru 22)		2,878,709	2,769,644
24	OTHER NONCURRENT LIABILITIES			
25	Obligations Under Capital Leases-Noncurrent (227)		-	-
26	Accumulated Provision for Property Insurance (228.1)		-	-
27	Accumulated Provision for Injuries and Damages (228.2)		-	-
28	Accumulated Provision for Pensions and Benefits (228.3)		-	-
29	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
30	Accumulated Provision for Rate Refunds (229)		-	-
31	Asset Retirement Obligations (230)			
32	TOTAL Other Noncurrent Liabilities (Enter total of lines 25 thru 31)		-	-
33	CURRENT AND ACCRUED LIABILITIES			
34	Notes Payable (231)		2,325,000	1,350,000
35	Accounts Payable (232)		1,117,794	1,809,369
36	Notes Payable to Associated Companies (233)	21	-	-
37	Accounts Payable to Associated Companies (234)	21	-	-
38	Customer Deposits (235)		(1,860)	201
39	Taxes Accrued (236)	262-263	38,290	1,675
40	Interest Accrued (237)		28,447	24,245
41	Dividends Declared (238)		-	-
42	Matured Long-Term Debt (239)		-	-
43	Matured Interest (240)		-	-
44	Tax Collections Payable (241)		(289)	-
45	Miscellaneous Current and Accrued Liabilities (242)		390,438	422,084
46	Obligations Under Capital Leases-Current (243)		-	-

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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BALANCE SHEET Cont'd

Instructions:

Line No.	Title of Account (a)	Page Ref FERC Form 1 and/or 2 or ILCC Form 21 (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
47	Derivative Instrument Liabilities (244)			
48	Derivative Instrument Liabilities - Hedging (245)			
49	TOTAL Current and Accrued Liabilities (Enter Total of Lines 34 thru 48)		3,897,820	3,607,573
50	DEFERRED CREDITS			
51	Customer Advances for Construction (252)		3,103	3,103
52	Accumulated Deferred Investment Tax Credits (255)	266-267	36,453	33,517
53	Deferred Gains from Disposition of Utility Plant (256)		-	-
54	Other Deferred Credits (253)	269	-	512,644
55	Other Regulatory Liabilities (254)	278	204,867	17,827
56	Unamortized Gain on Reacquired Debt (257)	24	-	-
57	Accumulated Deferred Income Taxes (281-283)	272-277	987,497	1,129,142
58	TOTAL Deferred Credits (Enter total of lines 51 thru 57)		1,231,920	1,696,233
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69	TOTAL Liab. And Other Credits (Enter total of lines 15,23,32,49 & 58)		10,597,125	10,615,358

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Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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STATEMENT OF RETAINED EARNINGS

Instructions

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated, undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded. Show the contra primary account affected in column (b).
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439 Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the balance for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (216)		
1	Balance-Beginning of Year		2,491,852
2	Changes		
3	Adjustments to Retained Earnings (439)		
4	Comprehensive Income		
5			
6			
7			
8			
9	Total Credits to Retained Earnings (439)		
10			
11			
12			
13			
14			
15	Total Debits to Retained Earnings (439)		
16	Balance Transferred from Income (Account 433 less Account 418.1)	216	(56,423)
17	Appropriations to Retained Earnings (436)		
18			
19			
20			
21			
22	Total Appropriations of Retained Earnings (436)		
23	Dividends Declared-Preferred Stock (437)		
24			
25			
26			
27			
28			
29	Total Dividends Declared-Preferred Stock (437)		
30	Dividends Declared-Common Stock (438)		
31	March	131	(28,800)
32	June	131	(28,800)
33	September	131	(28,800)
34	December	131	(28,800)
35			
36	Total Dividends Declared-Common Stock (438)		(115,200)
37	Transfers from Account 216.1, Unappropriated, Undistributed, Subsidiary Earnings	216	-
38	Balance-End of Year (Total lines 1,9,15,16,22,29,36,37)		2,320,229

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Y)	Year of Report Dec. 31, 2003
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STATEMENT OF RETAINED EARNINGS, cont'd

Instructions

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated, undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded. Show the contra primary account affected in column (b).
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439 Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the balance for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	APPROPRIATED RETAINED EARNINGS (215)		
39			
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (215)		
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (215.1)		
46	TOTAL Appropriated Retained Earnings-Amort. Reserve, Federal (215.1)		
47	TOTAL Appropriated Retained Earnings (215,215.1) (Enter total lines 45 and 46)		-
48	TOTAL Retained Earnings (215,215.1,216) (Enter total lines 38 and 47)		2,320,229
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1)		
49	Balance-Beginning of Year (Debit or Credit)		120,655
50	Equity in Earnings for Year (Credit) (418.1)	216	191,048
51	(Less) Dividends Received (Debit)	216	-
52			
53	Balance-End of Year (Total lines 49 thru 52)		311,703

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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STATEMENT OF INCOME FOR THE YEAR

Instructions:

1. Report the amount derived from total company operations for the current year and the previous year on this page.

Line No.	Account (a)	FERC Form 1 and	Total Company Current Year (c)	Total Company Previous Year (d)
		2 (Ref) Page No. (b)		
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	12,127,904	10,022,644
3	Operating Expense			
4	Operation Expenses (401)	320-323	10,549,399	7,539,798
5	Maintenance Expenses (402)	320-323	486,303	428,323
6	Depreciation Expense (403)	336-337	654,878	566,073
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337		
8	Amortization & Depletion Of Utility Plant (404-405)	336-337	-	-
9	Amortization Of Utility Plant Acquisition Adjustment (406)	336-337	-	-
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)		-	-
11	Amort. Of Conversion Expense (407.2)		-	-
12	Regulatory Debits (407.3)		(187,140)	463,168
13	Regulatory Credits (407.4)		-	-
14	Taxes Other Than Income Taxes (408.1)	262-263	572,331	579,555
15	Income Taxes - Federal (409.1)	262-263	(63,196)	23,792
16	Income Taxes - Other (409.1)	262-263	(3,544)	5,289
17	Provision for Deferred Income Taxes (410.1)	234,272-277	117,480	37,235
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234,272-277	-	-
19	Investment Tax Credit Adj.-Net (411.4)	266	(2,936)	(4,766)
20	(Less) Gains from Disp. Of Utility Plant (411.6)		-	-
21	Losses from Disp. Of Utility Plant (411.7)		-	-
22	(Less) Gains from Disposition of Allowances (411.8)		-	-
23	Losses from Disposition of Allowances (411.9)		-	-
24	Accretion Expense (411.10)			
25	Total Utility Operating Expenses (Total lines 4 through 24)		12,123,575	9,638,467
26	Net Utility Operating Income (Enter total of line 2 less line 25. Carry forward to page 76, line 27)		4,328	384,177

Name of Respondent ILLINOIS GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2003
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Instructions: For balances that cannot be allocated to a specific jurisdiction or service, reflect "*****" in the cell (box) and provide the total gas or electric company balance in the Total gas or electric Company column.

STATEMENT OF INCOME FOR THE YEAR

Illinois Electric Utility (e)	Total Company Electric Utility (f)	Illinois Gas Utility (g)	Total Company Gas Utility (h)	Other Utility (i)	Line No.
					1
		12,127,904			2
					3
		10,549,399			4
		486,303			5
		654,878			6
		-			7
		-			8
		-			9
		-			10
		-			11
		(187,140)			12
		-			13
		572,331			14
		(63,196)			15
		(3,544)			16
		117,480			17
		-			18
		(2,936)			19
		-			20
		-			21
		-			22
		-			23
		-			24
-	-	12,123,575	-	-	25
-	-	4,328	-	-	26

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
STATEMENT OF INCOME FOR THE YEAR				
Instructions: Report the amount derived from total company operations for the current year and the previous year on this page. Explain in a footnote if the previous year's amounts are different from that reported in prior years.				
Line No.	Account (a)	FERC Form 1 and 2 (Ref) Page No. (b)	Total Company Current Year (c)	Total Company Previous Year (d)
27	Net Utility Operating Income (Sum of columns (f), (h) and (i) from page 7, line 26)		4,328	384,177
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Non-utility Operating Income			
31	Revenues from Merchandising, Jobbing and Contract Work (415)		247,316	24,827
32	(Less) Costs and Exp. Of Merchandising, Job & Contract Work (416)		(225,637)	(20,262)
33	Revenues from Non-Utility Operations (417)	31	-	-
34	(Less) Expenses of Non-Utility Operations (417.1)	31	-	-
35	Nonoperating Rental Income (418)	31	25	50
36	Equity in Earnings of Subsidiary Companies (418.1)	31	191,048	93,893
37	Interest and Dividend Income (419)	31	15,481	13,585
38	Allowance for Other Funds Used During Construction (419.1)	31	-	-
39	Miscellaneous Nonoperating Income (421)	31	124,418	100
40	Gain on Disposition of Property (421.1)	31	37,744	8,574
41	Total Other Income (Enter total of lines 29 through line 40)		390,394	120,767
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)		(17,152)	(1,059)
44	Miscellaneous Amortization (425)		-	-
45	Miscellaneous Income Deductions (426.1-426.5)		-	(3,931)
46	Total Other Income Deductions (Total of lines 42 through 45)		(17,152)	(4,989)
47	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
48	Taxes Other than Income Taxes (408.2)	262-263	-	-
49	Income Taxes-Federal (409.2)	262-263	-	-
50	Income Taxes-Other (409.2)	262-263	-	-
51	Provision for Deferred Income Taxes (410.2)	234, 272-277	-	-
52	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	-	-
53	Investment Tax Credit Adj. (411.5)		-	-
54	(Less) Investment Tax Credits (420)		-	-
55	Total Taxes on Other Income and Deduct. (Total of line 48 through 54)		-	-
56	Net Other Income and Deductions (Enter Total lines 41, 46, 55)		373,242	115,778
57	INTEREST CHARGES			
58	Interest on Long-Term Debt (427)		(123,482)	(161,091)
59	Amort. Of Debt Disc. And Expense (428)		(359)	(1,218)
60	Amortization of Loss on Reacquired Debt (428.1)		-	-
61	(Less) Amort. Of Premium on Debt-Credit (429)		-	-
62	(Less) Amort. Of Gain on Reacquired Debt-Credit (429.1)		-	-
63	Interest on Debt to Assoc. Companies (430)		-	-
64	Other Interest Expense (431)		(119,105)	(137,842)
65	(Less) Allowance for Borrowed Funds Used During Construction-Cr (432)		-	-
66	Net Interest Charges (Enter total of lines 58 through 65)		(242,946)	(300,151)
67	Income Before Extraordinary Items		134,625	199,805
68	EXTRAORDINARY ITEMS			
69	Extraordinary Income (434)		-	-
70	(Less) Extraordinary Deductions (435)		-	-
71	Net Extraordinary Items (Enter total of line 69 less line 70)		-	-
72	Income Taxes-Federal and Other (409.3)	262-263	-	-
73	Extraordinary Items After Taxes (Enter total of line 71 less line 72)		-	-
74	Net Income (Enter total of lines 67 and 73)		134,625	199,805

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
ILLINOIS GAS NET OPERATING REVENUES				
Instructions: Report the amount derived from or incurred in providing utility services in Illinois.				
Line No.	Account (a)	OPERATING REVENUES		
		Amount for Year (b)	Amount for Previous Year (c)	
1	GAS SERVICE REVENUES			
2	480 Residential Sales	7,528,220	6,327,493	
3	481 Commercial & Industrial Sales			
4	Small (or Commercial)	1,192,930	947,448	
5	Large (or Industrial)	2,938,370	2,296,314	
6	482 Other Sales to Public Authorities		-	
7	TOTAL Sales to Ultimate Consumers (lines 2-6)	11,659,520	9,571,254	
8	483 Sales for resale			
9	484 Interdepartmental Sales			
10				
11				
12	TOTAL Gas Service Revenues (lines 7-9)	11,659,520	9,571,254	
13	OTHER OPERATING REVENUES			
14	485 Intracompany Transfers		-	
15	487 Forfeited Discounts	53,998	32,473	
16	488 Miscellaneous Service Revenues	3,625	4,993	
17	489.1 Rev. from Trans. Of Gas of others through gathering facilities	-		
18	489.2 Rev. from Trans. Of Gas of others through transmission facilities	-		
19	489.3 Rev. from Trans. Of Gas of others through distribution facilities	87,671	96,996	
20	489.4 Rev. from storing gas of others		-	
21	490 Sales of Prod. Ext. from Natural Gas		-	
22	491 Rev. from Natural Gas Proc. By Others		-	
23	492 Incidental Gasoline and Oil Sales		-	
24	493 Rent from Gas Property		-	
25	494 Interdepartmental Rents		-	
26	495 Other Gas Revenues			
	PGA Revenue Adjustments		-	
	Gross Receipts Tax	310,661	307,401	
	Public Utility Tax	12,429	9,527	
27	TOTAL Other Operating Revenues (Total of lines 14-26)	468,383	451,389	
28	TOTAL Gas Operating Revenues (Total of lines 12 plus 27)	12,127,904	10,022,644	
29	(Less) 496 Provision for Rate Refunds			
30	TOTAL Gas Operating Revenues Net of Provision for Refunds (lines 28-29)	12,127,904	10,022,644	
31				
32	Dist. Type Sales by State (Incl. Main Line Sales to Resid. And Comm. Customers)			
33	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)			
34	Sales for Resale			
35	Other Sales to Pub. Auth. (Local Dist. Only)			
36	Interdepartmental Sales			
37	TOTAL (Same As Line 10, columns (b) and (c))			

Name of Respondent ILLINOIS GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2003
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ILLINOIS GAS NET OPERATING REVENUES (continued)

THERMS OF NATURAL GAS SOLD		AVERAGE NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Current Year (d)	Prior Year (e)	Current Year (f)	Prior Year (g)	
				1
7,707,677	7,712,889	9,111	9,141	2
				3
1,308,413	1,218,107	908	925	4
3,749,556	3,878,845	239	242	5
				6
12,765,646	12,809,841	10,258	10,308	7
				8
				9
				10
				11
12,765,646	12,809,841	10,258	10,308	12
				13
				14
				15

Quantity of Natural Gas Transported		Average No. Of Transport Customers Per Month		
Current Year	Prior Year	Current Year	Prior Year	
				16
				17
				18
1,003,648	1,044,473	1	1	19

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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ANALYSIS OF UNBILLED REVENUE

Instructions: This form is to be completed by all gas and electric utilities.

Line No.		Prior Year	Current Year	ILCC Form 21 Reference
1	Electric Utility Revenue			
2	Less: Prior Year Unbilled Revenue			Pg. 13(a), Ln 3 prior year
3	Add: Current Year Unbilled Revenue			
4	Gross Electric Utility Operating Revenue	-	-	Pg. 7a, col. (f), Ln 2

5	Gas Utility Revenue	9,755,556	12,102,536	
6	Less: Prior Year Unbilled Revenue	(788,352)	(1,055,440)	Pg. 13(a), Ln 7 prior year
7	Add: Current Year Unbilled Revenue	1,055,440	1,080,807	
8	Gross Gas Utility Operating Revenue	10,022,644	12,127,904	Pg. 7a, col. (g), Ln 2

9	Total Utility Revenue (Ln 1 + Ln 5)	9,755,556	12,102,536	
10	Less: Total Prior Year Unbilled Revenue (Ln 2 + Ln 6)	(788,352)	(1,055,440)	Pg. 13 (a), Ln 11 prior year
11	Add: Total Current Year Unbilled Revenue (Ln 3 + Ln 7)	1,055,440	1,080,807	
12	Total Gross Utility Operating Revenue	10,022,644	12,127,904	Pg. 14, Ln 1

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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RECONCILIATION OF GROSS REVENUE TAX

Instructions: This schedule is to reconcile the amounts shown in the accompanying Annual Report with the amounts shown on the Amended/Annual Gross Revenues Tax Return.

Line No.	(a)	As Shown on Annual Report (b)	Page & Line Where Amount at Left can be Found in the Annual Report (c)
1	Actual Gross Operating Revenues as shown in Annual Report	12,127,904	Pg. 7a, col. (g), Ln 2
2	Less Interstate Revenue		
3	Gross Revenue Applicable to Illinois (line 1 minus line 3)	12,127,904	
4	DEDUCT:		
5	Revenues from Sale to Utilities for Resale		
6	Uncollectible Accounts (if billing basis used)		
7	Other Deductions (if amounts are included in line 1 above)		
8	Account Description	Account Number	
9	Unbilled Revenue	173	1,080,807 Pg. 13a, col. (c), Ln 7
10	Forfeited Discounts	487	53,998 Pg. 11, col. (b), Ln 15
11	Illinois Gross Receipts Tax	495	310,661 Pg. 11, col. (b), Ln 26
12	ICC Public Utility Tax	495	12,429 Pg. 11, col. (b), Ln 26
13			
14			
15	Taxable Illinois Gross Revenues from Annual Report (line 3 minus lines 5-14)	10,670,009	
16	Taxable Illinois Gross Revenues from Amended/Annual Gross Revenue Tax Return	12,634,340	
17	DIFFERENCE (line 15 minus line 16)	(1,964,331)	

If difference calculated on line 17 is a positive amount of \$1,000,000 or more, a revised Amended/Annual Tax Return for the year plus payment of any additional tax due must be promptly remitted to the Illinois Commerce Commission. If the calculated difference is less than \$1,000,000 or a negative amount no further action is required regarding your tax reconciliation. (The tax owed on \$1,000 at the current tax rate of (.001) is \$1.00. According to the Public Utilities Act a deficiency in taxes paid of less than \$1.00 need not be paid to the Commission.)

Subsection 2-202(d)(1) of the Public Utilities Act (220 ILCS 5/2-202(d)(1)) states: "each public utility shall file an amended return showing the actual amount of gross revenue shown by the company's books and records as of December 31 of the previous year." For a utility filing its Public Utility Fund Gross Revenue Return using the "receipts" method, provide a reconciliation between the amounts used for revenues and deductions on the Gross Revenue Return and the amounts in the Annual Report. If these amounts cannot be reconciled, provide the necessary documentation to fulfill the requirements of Subsection 2-202(d)(1) of the Public Utilities Act to the Commission's Manager of Accounting Department. The necessary documentation can consist of a detailed analysis of actual billed revenue to the receipts collected. Supporting work papers should include the cash receipts journal showing the receipts collected. Also, provide documentation supporting the deductions.

*** Illinois Gas Company pays the Gross Revenue Tax based upon collections, as approved by the Commission Controller January 17, 1995.

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
PROMOTIONAL PRACTICES OF ELECTRIC AND GAS PUBLIC UTILITIES			
Instructions: Pursuant to 83 Ill. Adm. Code 275, the following amounts were expended by this utility for promotional practices on file with this Commission for this reporting year.			

Appliance Promotion:		
The Company reinstated it Natural Gas Incentive Program for water heating for a period of November 6, 2002 through November 5, 2004.		
Transactions for the period January 1, 2003 through December 31, 2003 are summarized as follows:		
Description of Program	Quantity	Cost
Rebates on Water Heaters:	4	400.00
Expense to Company		400.00

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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MATERIALS AND SUPPLIES

Instructions:

- For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments that use the class of material.
- Explain important inventory adjustments during the year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if possible

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Departmental or Department Which Use Material (d)
1	Fuel Stock (Account 151)			
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	17,233	15,280	
10	Assigned to - Other			
11	TOTAL Account 154 (enter total of lines 5 thru 10)	17,233	15,280	
12	Merchandise (Account 155)	5,726	4,733	
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Acct. 157) (Not applicable to Gas util.)			
15	Stores Expense Undistributed (Account 163)			
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	22,959	20,013	

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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NOTES PAYABLE (Account 231)

Instructions:

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Any demand notes should be designated as such in column (c).

Line No.	Payee (a)	Purpose for Which Issued (b)	Date of Note (c)	Interest Rate (d)	Balance End of Year (e)
1	Old National Bank				
2	Revolving Note 727095530	Operating Funds	6/13/2003	4.00%	400,000
3					
4	Integra Bank, NA				
5	Revolving Note CL1400000012	Operating Funds	8/17/2003	5.50%	150,000
6					
7	First Community Bank, NA				
8	Revolving Note 26110102136	Operating Funds	7/19/2003	4.25%	100,000
9					
10	First National Bank in Olney				
11	Revolving Note 107462	Operating Funds	7/21/2003	4.75%	200,000
12					
13	People's State Bank of Newton				
14	Revolving Note 3049737	Operating Funds	10/27/2003	4.75%	250,000
15					
16	Casey State Bank				
17	Revolving Note 98590	Operating Funds	10/24/2003	4.75%	250,000
18					
19	TOTAL				1,350,000

PAYABLES TO ASSOCIATED COMPANIES (Accounts 233, 234)

Instructions:

1. Report particulars of notes and accounts to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note and maturity.
4. Include in column (e) the amount of any interest expense during the year on notes or accounts that were paid before the end of year.

Line No.	Name of Company (a)	Commission Authorization (b)	Balance End of Year (c)	Interest for Year	
				Rate % (d)	Amount (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19	TOTAL				-

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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LONG TERM DEBT (Accounts 221, 222, 223 and 224)

Instructions:

1. Report by balance Account the particulars (details) concerning long-term debt included in Accounts 221- Bonds, 222- Reacquired Bonds, 223- Advances from Associated Companies, and 224- Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) name of associated companies from which advances were received.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amounts, and (c) principal repaid during year. Give commission authorization numbers and dates.

Line No.	Class and Series of Obligation, Coupon Rate (a)	Principal Amount of Debit Issued (b)	Nominal Date of Issue (c)	Date of Maturity (d)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (e)
1	First Community Bank, NA				
2	Mortgage Note 26110002542				
3	(ICC Docket 00-0132)	2,200,000.00	6/2/2000	6/2/2020	1,858,717
4					
5	First Community Bank, NA				
6	Revolving Note 26115000424				
7	(ICC Docket 00-0132)	1,000,000.00	6/2/2000	6/2/2020	900,000
8					
9	General Motors Acceptance Corp				
10	Contract #154 0988 64575				
11	(ICC Docket 02-0603)	32,781.24	12/6/2001	12/6/2004	10,927
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
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36					
37					
38	TOTAL				2,769,644

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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LONG TERM DEBT (Accounts 221, 222, 223 and 224)

Instructions:

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligation retired or reacquired before end of year, include interest expense in column (g).

Explain in a footnote any difference between the total of column (g) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

10. In column (b) show the principal amount of bonds or other long-term debt originally issued.

11. In column (i) provide redemption price in % or per \$100 of face amount outstanding. If the respondent has provided information required in column (i) in a document filed pursuant to Article 6 of the Illinois Public Utilities Act, respondent may reference that document in a footnote in lieu of providing the information here.

INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price at End of Year (i)	Line No.
Amount (f)	Reacquired Bonds (Acct. 222) (g)	Sinking and Other Funds (h)			
					1
					2
79,145					3
					4
					5
					6
44,337					7
					8
					9
					10
-					11
					12
					13
					14
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123,482	-	-	-	-	38

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003	
UNAMORTIZED DEBT EXPENSE, PREMIUM & DISCOUNT ON LONG-TERM DEBT (Accts. 181, 225, 226)					
Instructions:					
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.					
2. Show premium amounts by enclosing the figures in parentheses.					
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.					
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.					
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expenses, Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1	First Community Bank, NA				
2	Mortgage Note 26110002542				
3	(ICC Docket 00-0132)	2,200,000	4,230	6/2/2000	6/2/2020
4					
5	First Community Bank, NA				
6	Revolving Note 26115000424				
7	(ICC Docket 00-0132)	1,000,000	2,941	6/2/2000	6/2/2020
8					
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Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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UNAMORTIZED DEBT EXPENSE, PREMIUM & DISCOUNT ON LONG-TERM DEBT (Accts. 181, 225, 226) (continued)

Instructions:

5. Furnish in a footnote particulars (details) regarding the treatment of Unamortized debt expenses, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues that were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428- Amortization of Debt Discount and Expenses, or credited to Account 429- Amortization of Premium on Debt - Credit.

Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
				1
				2
3,684		(212)	3,472	3
				4
				5
				6
2,561		(147)	2,414	7
				8
				9
				10
				11
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Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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INVESTMENTS (Accounts 123, 124, 136)

Instructions:

1. Report below investments in Accounts 123- Investments in Associated Companies, 124- Other Investments, and 136-Temporary Cash Investments.

2. Provide a subheading for each account and list there under the information called for:

(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity and interest rate. For capital stock (including capital stock of respondent) reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124- Other Investments, state number of shares, classes, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136- Temporary Cash Investments, also may be grouped by classes.

(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b)	Purchases or Additions During Year (c)
1	123 - Utility Safety and Design, Inc	290,593	192,972
2			
3	123 - Utility Sales and Service, Inc	(5,722)	-
4			
5	136 - Principal Financial Group	66,193	-
6			
7			
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Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
INVESTMENTS (Accounts 123, 124, 136) (continued)					
<p>Instructions:</p> <p>Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229, of FERC Form 1.</p> <p>3. For any securities, notes or accounts that were pledged designate with an asterisk such securities, notes or accounts and in a footnote state the name of pledges and purpose of the pledge.</p> <p>4. If Commission approval was required for any advance made or security acquired designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.</p> <p>5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.</p> <p>6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).</p>					
Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.) (f)	Revenues for year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
		483,565			1
					2
468		(6,190)			3
					4
66,193		-	115,598	115,598	5
					6
					7
					8
					9
					10
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Name of Respondent ILLINOIS GAS COMPANY				This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo./Da./Yr.)		Year of Report Dec. 31, 2003	
EMPLOYEE DATA									
Instructions:									
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.									
2. If the respondent's payroll for the reported period include any special construction forces, include such employees as part-time and temporary employees and show the number of such special construction employees so included.									
3. The number of employees assignable to each department from joint functions of combination utilities may be determined by estimate, based on employee equivalents. Show the estimated number of equivalent employees attributed to each department from joint functions.									
4. If respondent furnishes two or more kinds of utility service, general officers, executive and other employees not assignable to any particular department are to be reported in column (h). No employee is to be included more than once.									
Classification (a)	Electric (b)	Gas (c)	Water (d)	Heating (e)	USDI (f)	(g)	Common (h)	Total (i)	
Number of employees, payroll period ended November 3, 2002								-	
Total regular full-time employees		23			12			35	
Total part-time and temporary employees		7			3			10	
								-	
								-	
								-	
								-	
								-	
								-	
								-	
Total Employees	-	30	-	-	15	-	-	45	

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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CHARGES FOR OUTSIDE, PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

Instructions:

1. Report the information specified below for all changes made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnerships organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$50,000 for utilities with operating revenues of \$25,000,000 or less and more than \$250,000 for utilities with operating revenues of more than \$25,000,000, including payments for legislative services, except those which should be reported in Account 425.4 Expenditure for Certain Civic, Political and Related Activities.

(a) Name and Address of person or organization rendering services.

(b) Description of services received during year and project or case to which services relate.

(c) Basis of charges.

(d) Total charges for the year, detailing utility department and account charged.

2. For any services that are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

Line No.	Item (a)	Amount (b)
1	None	
2		
3		
4		
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6		
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9		
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Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2002
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STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME AND HEDGING ACTIVITIES

Instructions:

1. Report in columns (b) (c) (d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Year Reclassification from Account 219 to Net Income				
3	Preceding Year Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Year/Beginning of Current Year				
6	Current Year Reclassification from Account 219 to Net Income				
7	Current Year Changes in Fair Value				
8	Total (lines 6 and 7)				
9	Balance of Account 219 at End of Current Year				

Name of Respondent ILLINOIS GAS COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)				
Instructions:				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.				
2. For Other (Specify), include deferrals relating to other income and deductions.				
Line No.	Account (a)	Balance at Beginning of Year (b)	Amounts Debited To Account 410.1 (c)	Amounts Credited To Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other			
6				
7				
8	TOTAL Electric (Enter total of lines 3 thru 7)	-	-	-
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other	1,102,246	146,427	
13				
14				
15	TOTAL Gas (Enter total of lines 10 thru 14)	1,102,246	146,427	-
16	Other (Specify)			
17	TOTAL (Acct. 281) (total of 8, 15 and 16)	1,102,246	146,427	-
18	Classification of TOTAL			
19	Federal Income Tax	897,958	119,288	
20	State Income Tax	204,288	27,139	
21	Local Income Tax			

NOTES

Name of Respondent ILLINOIS GAS COMPANY	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report Dec. 31, 2003
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281) (continued)

Instructions:

1. Use separate pages as required.

See separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
		DEBITS		CREDITS			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Debited (g)	Amount (h)	Account Credited (i)	Amount (j)		
						-	1
						-	2
						-	3
						-	4
						-	5
						-	6
						-	7
						-	8
						-	9
						-	10
						-	11
						1,248,673	12
						-	13
						-	14
						1,248,673	15
						-	16
						1,248,673	17
						-	18
						1,017,246	19
						231,427	20
						-	21

NOTES